



JBIC

JBIC in Road Sector

Kensuke Fukawa
Representative Office in Bangkok
Japan Bank for International Cooperation

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1. Developing Infrastructure for Sustainable Growth

(1) Insufficient infrastructure bottlenecks growth



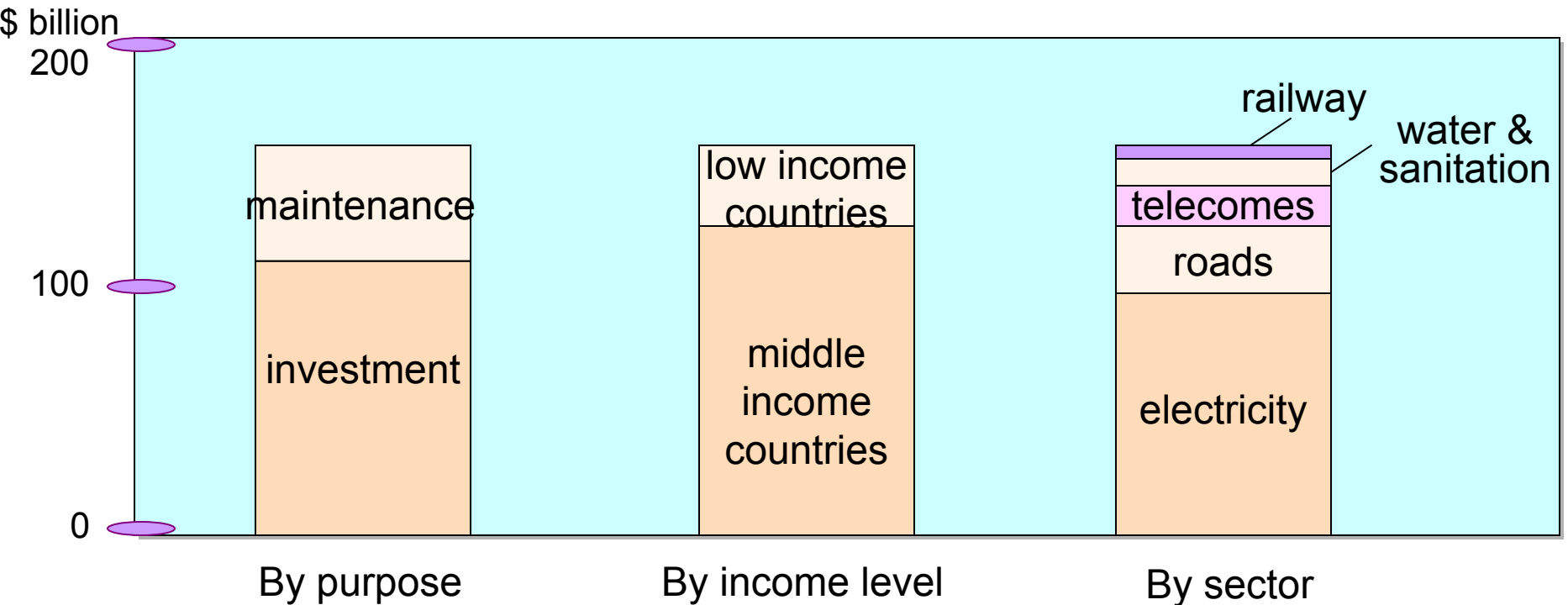
■ Infrastructure Stock in Low, Middle, and High-Income Countries in 2000

	Low-Income Countries	Middle-Income Countries	High-Income Countries
Infrastructure stock (US\$ billion)	1,968	4,194	8,804
Proportion of infrastructure stock	13%	28%	59%
Proportion of population	39%	49%	16%

(1) Insufficient infrastructure bottlenecks growth (cont'd)



■ “*Connecting East Asia*”: annual demand in East Asia for funds related to infrastructure at US\$200 billion for next five years.



(2) Infrastructure promotes MDGs

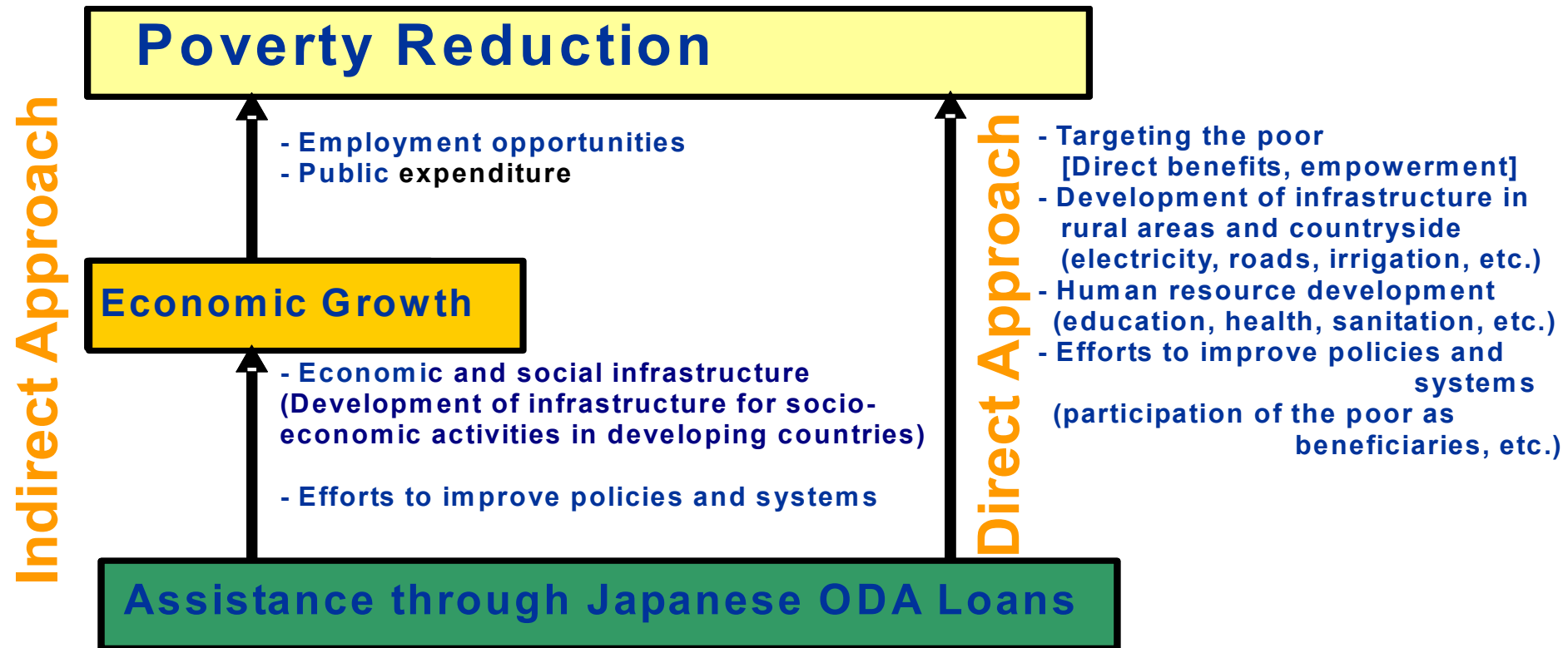


While many of the MDGs concern aspects of the social sector, infrastructure is also important to achieve MDGs...

- Transport for improved access to education and healthcare services
- Telecommunications for the stable delivery
- Supply of power for quality of medical services

(2) Infrastructure promotes MDGs (cont'd)

■ Approach for Poverty Reduction



(3) Issues of infrastructure for sustainable growth



(a) Establishment of Policies and Systems

■ The role of public sector:

- suggesting sector development proposals
- regulating and monitoring fee systems
- investing in non-commercial sectors.

■ Issues in the transport sector:

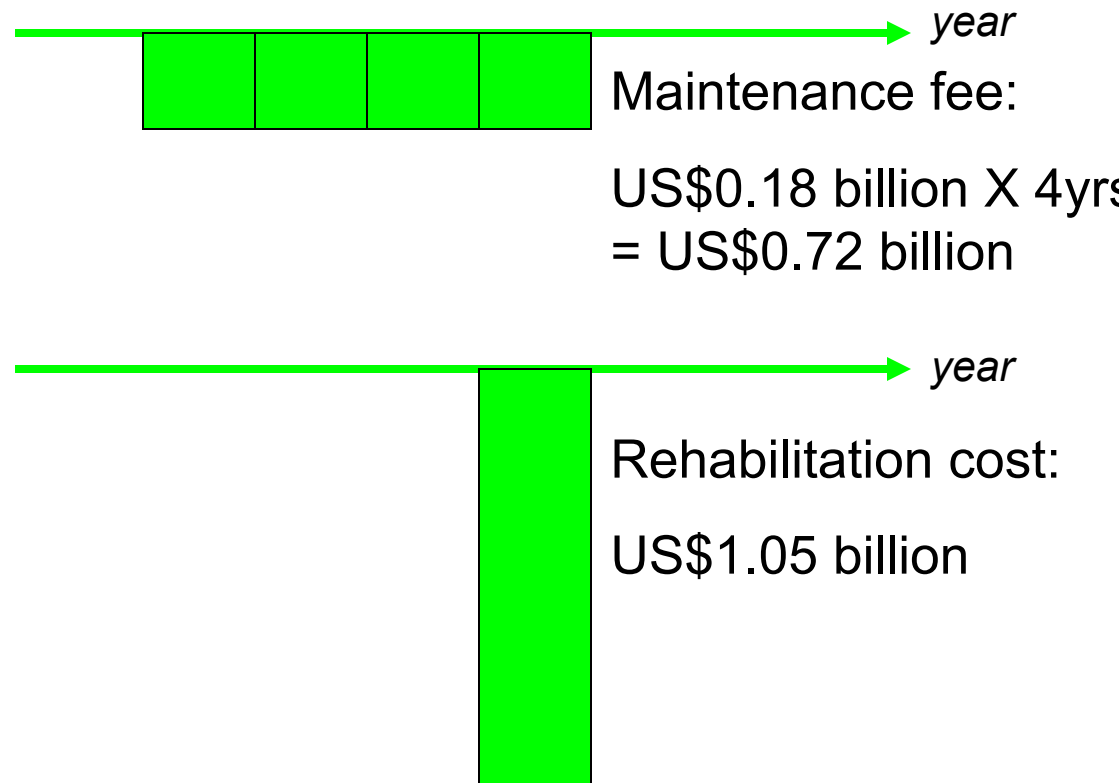
- clarification of the roles of the public and private sectors
 - establishment of the function of regulatory bodies
 - creation of road funds and fee systems.
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(3) Issues of infrastructure for sustainable growth (cont'd)



(b) Operation and Maintenance System

■ With regular and rigorous maintenance, facilities could be used for the full term without massive rehabilitation. Keys are capacity of road agency, collection of fees, and budget measures.



(3) Issues of infrastructure for sustainable growth (cont'd)



(c) PPP—Expanding Market Access

- Types of participation by the private sector; creation of appropriate PPPs.
- Besides physical investment, trade facilitation, such as EPA/FTA, streamlining of customs procedures, is necessary.

(3) Issues of infrastructure for sustainable growth (cont'd)



(d) Common Regional Asset Perspective

- In a global context, an economic development strategy for an entire region is considered effective for the development of developing countries.
- When the development of infrastructure is expected to have impact over a wide area or across national boundaries, it is necessary to draft plans from the standpoint of the development of the entire region (the common regional asset perspective).

(3) Issues of infrastructure for sustainable growth (cont'd)



(e) Regional Disparities and Decentralization

- **Globalization:** a possibility of growth for the regions by directly accessing global markets. A long-term plan and strategic vision is indispensable to avoid ineffective investment.
- **Decentralization:** may conversely increase the isolation of regions, unless there are mechanisms for coordination between local government bodies and organizations at planning stage.

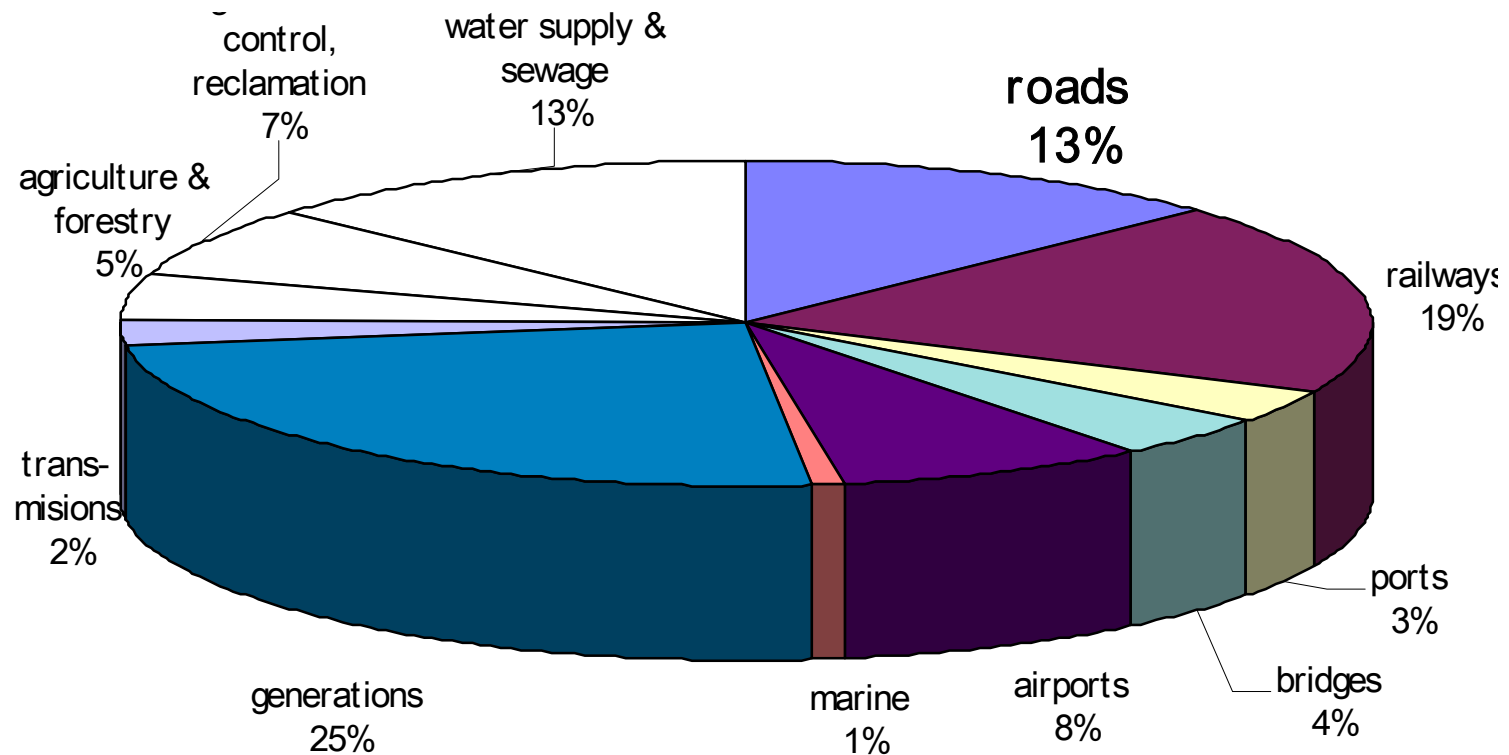
2. Future Direction for Assistance

- (1) Supporting High-Need Infrastructure Development
- (2) Political and System Improvements
- (3) Wide-Area Infrastructure across Boundaries

(1) Supporting High-Need Infrastructure Development



■ ODA Loan Infrastructure Projects by Sector Fiscal 2000-2004





(1) Supporting High-Need Infrastructure Development (cont'd)

- Utilization of Japanese Technology and Personnel
- Correcting Disparity through Regional Development
- Promotion of Political Dialogue through PRSPs

(2) Political and System Improvements

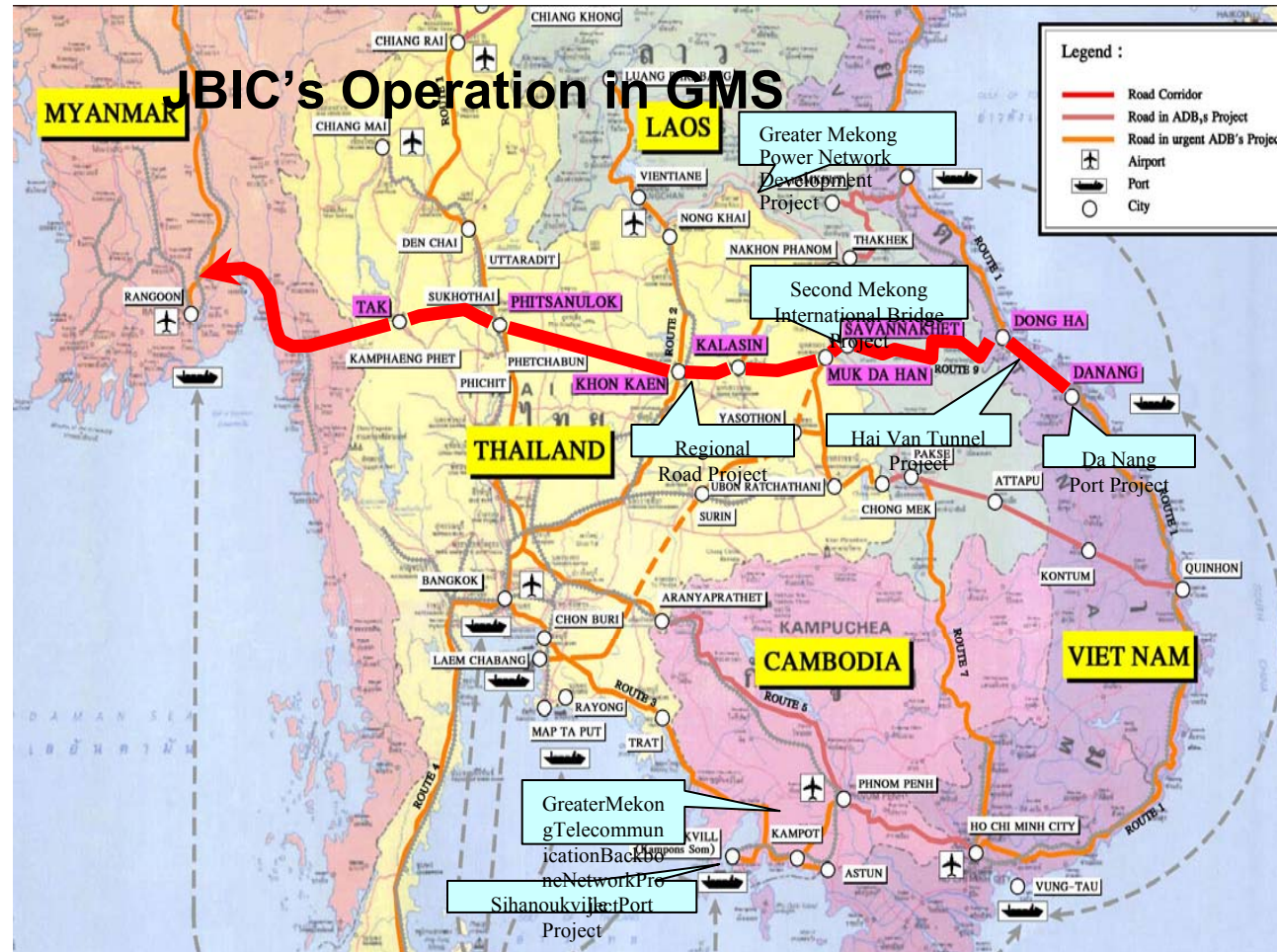


- Ascertain the issues, then clarify the role of public institutions.
- Where decentralization in progress, policy dialogues are necessary on revenue source, authority transfer, institutional capabilities, and project planning capabilities.
- IT component to raise the efficiency of administration, including communication and regulation.

(3) Wide-Area Infrastructure across Boundaries



Regional economic integration needs wide-area infrastructure as well as system adjustments.



3. Examples of JBIC-Financed Project

1) **Regional Infrastructure Development across National Borders**



Second Mekong International Bridge Construction Project (approved December 2001, Yen 8.09 billion)

- Connecting the provincial cities of Savannakhet in south-central Laos and Mukdahan in northeast Thailand
- Providing an east-west link from Vietnam to Myanmar
- Cooperation mechanism by two counties for smooth implementation of the project

(2) Incorporating ICT into Infrastructure Projects



Tanjung Priok Access Road Construction Project (I) (approved March 2005, Yen 26.306 billion)

- Alleviating traffic congestion in the Jakarta metropolitan region, especially the vicinity of Tanjung Priok Port by constructing an access road from the Jakarta outer ring road to Tanjung Priok Port
- Gathering and analyzing traffic information and then providing it to drivers on the road by using an intelligent transport system (ITS)

(3) Development of Operation and Maintenance Systems for Infrastructure



Transport Sector Loan for National Road Network Improvement (approved March 2004, Yen 9.584 billion)

- Rehabilitating bridges and building up a database system for bridges across Vietnam
- Creating more effective maintenance system of the existing bridges.

(4) Public Private Partnership (PPP)

- (a) Cai Mep Thi Vai International Port Construction Project (approved March 2005, Yen 36.364 billion)**
 - (b) La Union Port Development Project (approved October 2001, Yen 11.233 billion)**
 - A private harbor operator will be introduced after project completion, in order to improve harbor operations through the consignment of harbor management to the private sector.
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Thank you for your attention.
